## SECOND REGULAR SESSION HOUSE COMMITTEE SUBSTITUTE FOR SENATE SUBSTITUTE FOR SENATE COMMITTEE SUBSTITUTE FOR

## SENATE BILL NO. 726

## 94TH GENERAL ASSEMBLY

Reported from the Special Committee on Family Services May 12, 2008 with recommendation that House Committee Substitute for Senate Substitute for Senate Committee Substitute for House Bill No. 726 Do Pass. Referred to the Committee on Rules pursuant to Rule 25(21)(f).

D. ADAM CRUMBLISS, Chief Clerk

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## **AN ACT**

To amend chapters 208 and 210, RSMo, by adding thereto four new sections relating to child care facilities.

Be it enacted by the General Assembly of the state of Missouri, as follows:

- Section A. Chapters 208 and 210, RSMo, are amended by adding thereto four new 2 sections, to be known as sections 208.046, 210.205, 210.278, and 1, to read as follows:
- 208.046. 1. It is the intent and goal of the general assembly for the children's division to modify the income eligibility criteria for any person receiving state-funded child care subsidy assistance under this chapter by July 1, 2012, so that, such persons with 4 incomes of less than one hundred sixty percent of the federal poverty level for the applicable family size shall be eligible, subject to appropriations, to receive child care subsidy benefits on a sliding fee scale established by the children's division based on family size and income.
  - 2. The children's division may promulgate rules to assist persons receiving statefunded child care assistance under this chapter whose income subsequently is in excess of one hundred sixty percent of the federal poverty level in transitioning such persons off of state assistance.

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

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- 12 3. If appropriations in a fiscal year are insufficient to provide the subsidy 13 established under this chapter for all eligible recipients, the children's division may establish a waiting list and promulgate rules for the prioritization of eligible recipients on 15 the waiting list.
  - 4. The sliding scale fee established in this section for child care subsidy recipients may be waived for children with special needs as determined by the children's division.
  - 5. Any rule or portion of a rule, as that term is defined in section 536.010, RSMo, that is created under the authority delegated in this section shall become effective only if it complies with and is subject to all of the provisions of chapter 536, RSMo, and, if applicable, section 536.028, RSMo. This section and chapter 536, RSMo, are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536, RSMo, to review, to delay the effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after August 28, 2008, shall be invalid and void.
- 210.205. 1. By September 1, 2008, the department of social services in collaboration with the departments of health and senior services, elementary and secondary education, and mental health shall develop a quality rating system for early childhood and beforeand after-school programs licensed by the department of health and senior services that 5 operate in this state. Such ratings shall be built upon Missouri's current system of licensing and regulation. The base level of the rating system shall be licensing, and the highest level of the rating system shall include accreditation by a state or nationally recognized accrediting agency. The department of social services shall utilize the model from the existing Missouri quality rating system pilots developed by the University of 10 Missouri Center for Family Policy and Research, or any successor organization, to establish this system.
  - 2. The quality rating system shall:
  - (1) Provide information for consumers and parents to evaluate and select high quality programs;
  - (2) Create an accountability system for policymakers and those who fund early childhood and before- and after-school programs;
  - (3) Guide providers through a system of ever increasing levels of quality with specific outcomes.
  - 3. By July 1, 2011, all licensed facilities receiving quality improvement funds or services shall be rated using the quality rating system established under this section. The coordinating board for early childhood, established under section 210.102, shall develop a plan for a tiered system of reimbursement for child care subsidies based on the quality rating system established under this section. By December 31, 2009, a proposed plan with

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recommendations for implementation of the reimbursement system shall be submitted to the general assembly. The plan shall only become effective after passage of a concurrent resolution by the general assembly authorizing the implementation of the plan.

- 4. There is hereby created in the state treasury the "Quality Rating System Program Improvement Grant Fund". Within this fund there is created a first sub-account which shall consist of all gifts, donations, transfers, and bequests to the fund. Notwithstanding the provisions of section 33.080, RSMo, to the contrary, any moneys remaining in this first sub-account shall not revert to the credit of the general revenue fund. There is also created a second sub-account consisting of moneys appropriated by the general assembly. Any moneys remaining in this second sub-account shall at the end of the biennium revert to the credit of the general revenue fund. The state treasurer shall be custodian of the fund and may approve disbursements from the fund in accordance with sections 30.170 and 30.180, RSMo. Upon appropriation, money in the fund shall be used solely for the administration of this section to provide grants directly to licensed providers seeking assistance for quality improvements to undergo evaluation under the quality rating system established under this section or to community-based organizations assisting providers with such improvements. The grants shall be awarded in such a manner to ensure geographic diversity among the grantees. The fund shall be administered by the department of social services. The state treasurer shall invest moneys in the fund in the same manner as other funds are invested. Any interest and moneys earned on such investments shall be credited to the fund.
- 5. The department of social services in collaboration with the departments of health and senior services, mental health, and elementary and secondary education shall be responsible for:
- (1) Collecting and distributing resource materials to educate the public and early childhood and before- and after-school programs in Missouri about the quality rating system established under this section;
- (2) Developing and distributing educational materials, including but not limited to brochures and other media as part of a comprehensive public relations campaign about the useful and informational system of assessing the quality of child care and early childhood programs in Missouri; and
- (3) A site to post ratings of the quality rating system on the Internet in a format easily understood and accessible by the public by January 1, 2010.
- 6. The department of social services shall promulgate rules to implement the provisions of this section. Any rule or portion of a rule, as that term is defined in section 536.010, RSMo, that is created under the authority delegated in this section shall become effective only if it complies with and is subject to all of the provisions of chapter 536,

- RSMo, and, if applicable, section 536.028, RSMo. This section and chapter 536, RSMo, are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536, RSMo, to review, to delay the effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after August 28, 2008, shall be invalid and void.
  - 7. For purposes of this section, "early childhood program" shall mean programs that are both centered and home-based and providing services for children from birth to kindergarten.
    - 8. Pursuant to section 23.253, RSMo, of the Missouri sunset act:
  - (1) The provisions of the new program authorized under this section shall automatically sunset six years after the effective date of this section unless reauthorized by an act of the general assembly; and
  - (2) If such program is reauthorized, the program authorized under this section shall automatically sunset six years after the effective date of the reauthorization of this section; and
  - (3) This section shall terminate on September first of the calendar year immediately following the calendar year in which the program authorized under this section is sunset.
  - 210.278. 1. In addition to any other licensing exemptions under this chapter, neighborhood youth development programs shall be exempt from the child care licensing provisions under this chapter so long as the program meets the following requirements:
  - (1) The program is affiliated and in good standing with a national congressionally chartered organization's standards under Title 36, Public Law 105-225;
  - (2) The program provides activities designed for recreational, educational, and character building purposes for children six to seventeen years of age;
  - (3) The governing body of the program adopts standards for care that at a minimum include staff ratios, staff training, health and safety standards and mechanisms for assessing and enforcing the program's compliance with the standards;
  - (4) The program does not collect compensation for its services except for one-time annual membership dues not to exceed fifty dollars per year or program service fees for special activities such as field trips or sports leagues;
  - (5) The program informs each parent that the operations of the program is not regulated by licensing requirements;
    - (6) The program provides a process to receive and resolve parental complaints; and
  - (7) The program conducts national criminal background checks for all employees and volunteers who work with children, as well as screening under the family care safety registry as provided in sections 210.900 to 210.936.

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20 **2.** Nothing in this section shall be construed to require licensure of any child care otherwise exempted elsewhere under this chapter or any other chapter of law.

Section 1. 1. There is hereby created in the state treasury the "Child Care and Development Fund", which shall consist of money received from the federal government under the federal Child Care and Development Block Grant Program. The state treasurer shall be custodian of the fund. In accordance with sections 30.170 and 30.180, RSMo, the state treasurer may approve disbursements. Upon appropriation, money in the fund shall be used by the department of social services only in accordance with the guidelines established by the federal government for the Child Care and Development Block Grant Program.

- 2. Notwithstanding the provisions of section 33.080, RSMo, to the contrary, any moneys remaining in the fund at the end of the biennium shall not revert to the credit of the general revenue fund.
- 3. The state treasurer shall invest moneys in the fund in the same manner as other funds are invested. Any interest and moneys earned on such investments shall be credited to the fund.



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